

**MEMO TO: BOARD MEMBERS  
DR. JOHN SIMPSON**

**FROM: BRUCE ELLERMAN**

**DATE: JUNE 26, 2017**

**RE: FINAL 2017-18 PROPOSED BUDGET**

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The accompanying budget for Webster Groves School District is being proposed for the 2017-18 School year. It represents the culmination of countless hours of development, work and review by administration, Business Office staff and the Finance Advisory Committee.

As in past years, the budget document being provided to you for review is a comprehensive report providing information which has been summarized at a fairly high level. A much more detailed budget document which complies with all state requirements is available in the Business Office and will be available at the Board meeting for your reference. It will also be posted online for public inspection. This more detailed document breaks down the budgeted revenues and expenditures in much greater detail—by fund, by building, by department, by program, and so on.

I'm pleased to report that not only is this year's budget a balanced budget, but it actually projects a significant (almost \$1 million) surplus for the year. Here again, the remarkable improvement in the district's financial condition is attributable to the conscientious and hard work of district and building administrators, Business Office staff and the Finance Advisory Committee.

The accompanying Budget Message details the budget development process and analyzes significant year-over-year revenue and expenditure variances. Explanations of significant revenue and expenditure items are also indicated as appropriate on the budget document itself.

Finally, multiple year projections are also included in order to demonstrate that not only is the proposed 2017-18 budget viable for the coming year, but is sustainable for the foreseeable future.

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**RECOMMENDED BOARD ACTION....**that the Webster Groves School District Board of Education approve the proposed 2017-18 District Budget, which projects operating revenues of \$59,668,411, operating expenditures of \$58,674,900, total revenues of \$65,030,869 and total expenditures of \$63,311,568.

## **BUDGET BACKGROUND AND PURPOSE**

The Webster Groves School District is a substantial-sized organization serving a diverse and educated community. With an annual operating budget of \$58.6 million, a work force of more than 560 employees and enrollment of over 4,600 students (PK-12), the District is an important part of the local economy. By enrollment, the District is the 47th largest in Missouri (out of 557 public and charter districts) and by budget, is the 41st largest in the state.

The primary and essential functions of the District Budget are to:

- 1) Identify and estimate all significant district revenue sources;
- 2) Allocate available district resources among various programs and services in accordance with district priorities;
- 3) Insure district short- and long-term financial stability (through maintenance of adequate fund balances);
- 4) Provide a framework for the timely and accurate identification of financial trends & budget-to-actual variances; and
- 5) Serve as an accountability mechanism & report to stakeholders regarding district financial plans and priorities.

## **BUDGET DEVELOPMENT PROCESS/TIMELINE**

The District Budget is prepared annually by the Office of the CFO/COO. The process begins in the late fall with adjusting and updating the current year budget for any new and updated information regarding tax rates, assessed valuations, tax collection rates, state funding levels, student enrollment levels, attendance rates, staffing levels, unforeseen events, and other relevant factors. These budget adjustments are generally presented for Board approval in November/December. Work then begins on developing the following year's budget in February.

The most significant revenue and expense elements of the budget are calculated from the ground up each year based on estimates of the individual components of the budget item. Other less significant budget estimates are developed based on a simpler trend analysis using actual data for the previous year (or past few years), adjusted for any expected/known changes for the coming year. Any changes to reflect program/service level adds/cuts/changes are also incorporated into the budget estimates.

A draft budget is then presented to the Board for review in April of each year, with a final budget adoption in June prior to the beginning of the fiscal year on July 1st. As part of this process, multiple year budget projections are also prepared in order to assess program/priority/funding sustainability over the long term.

Throughout this entire development process, the District Finance Advisory Committee-FAC (one of 3 Board committees) meets monthly to monitor and provide advice regarding the District's financial position and budget plans. In fact, the FAC has reviewed and endorsed the accompanying 2017-18 District Budget for Board approval.

## **BUDGET GOALS/OBJECTIVES**

The district's budget goals/objectives for 2017-18 are fairly simple and straightforward--to fund and support the staff and programs necessary to maintain and sustain the highest quality instruction possible, with an emphasis on:

- 1) Maintaining class sizes below state maximum guidelines and as close to state desirable guidelines as possible;
- 2) Providing equal educational opportunity for all students regardless of race, gender, economics, orientation, etc.
- 3) Maintaining current program service levels absent a deliberate district consideration for program change;
- 4) Increasing the operating budget allocation for facility/capital projects in light of aging infrastructure;
- 5) Continuing to enable the district to maintain adequate fund balances to be cash-flow self-sufficient;
- 6) Supporting a fair, equitable and competitive level of staff compensation;
- 7) Positioning the district to maintain a balanced, sustainable budget over at least a 3 year planning horizon;
- 8) Supporting a significant level of high quality professional development opportunities;
- 9) Providing flexibility for evolving/changing district and student needs over time;
- 10) Promoting community engagement, communication and reporting;
- 11) Encouraging innovation and effective instruction/learning/management; and
- 12) Providing contingency room for unforeseen developments/emergencies outside of the district's control.

## BUDGET OVERVIEW

Projections for the 2017-18 fiscal year appear quite favorable. The combination of 2017 being a property reassessment year, combined with the legislative priority of fully funding the foundation formula and a strengthening state economy, is pointing to a year of positive revenue growth. At the same time, inflation remains at a low level, and the District has generally been able keep staff salary increases relatively low while holding staffing levels constant. Finally, the District continues to benefit from a number of revenue enhancement and expenditure efficiency measures implemented during the past year.

The effect of this powerful combination of good management and good fortune is evident throughout the 2017-18 budget numbers and results in a projected surplus of about \$1 million. Projected operating revenues of \$59.6 million (as adjusted for the one-time portion of FDK) are up, while projected operating expenses are at \$58.6 million (up 2.59%). Moreover, longer-range projections indicate a sustainable financial path without the need for outside operating resources for at least the next 3 years.

## MAJOR REVENUE OVERVIEW

Like many public school districts in Missouri, WGSD is highly dependent on local revenue sources. In fact, more than two-thirds of WGSD's operating revenues are derived from local property taxes alone. Throw in another 13% from the State Formula and about 7% from Prop C and over 86% of WGSD's operating revenues are comprised of just these 3 revenue sources. Furthermore, this proportion has been fairly steadily increasing over the past several years. As a result, WGSD's overall resource base is highly dependent on their health. This concentration of revenues also has a significant impact on the District's cash flow profile as the overwhelming bulk of property taxes in particular are collected in the single months of December and January each year.

Historical trend and budget projections for these 3 major revenue sources and the factors used in their computation are as follows:

	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Budget</u>	<u>2017-18</u> <u>Projected</u>		
Assessed Valuation	698,727,150	700,028,500	733,967,650	740,867,900	821,904,310		
Unadjusted Operating Tax Levy	\$ 5.3901	\$ 5.4028	\$ 5.2069	\$ 5.2075	\$ 4.8040		
Adjusted Operating Tax Levy	\$ 5.3901	\$ 5.4028	\$ 5.2069	\$ 5.1975	\$ 4.7940		
Debt Service Tax Levy	\$ 0.5699	\$ 0.5699	\$ 0.5699	\$ 0.5699	\$ 0.5699		
State Adequacy Target (SAT)	\$ 6,131	\$ 6,131	\$ 6,146	\$ 6,110	\$ 6,210		
Dollar Value Multiplier	1.089	1.091	1.092	1.095	1.094		
Prop C per ADA	\$ 884	\$ 921	\$ 947	\$ 947	\$ 979		
Average Daily Attendance (ADA)	3,878	3,886	4,095	4,100	4,114		
Property Taxes - Lines 1 & 2	\$38,578,207	\$38,467,363	\$38,212,769	\$38,965,073	\$39,805,294	2.16%	66.71%
State Formula - Line 16	\$5,151,397	\$5,857,512	\$5,888,747	\$8,418,421	\$7,693,798	-8.61%	12.89%
Prop C - Line 4	\$3,369,362	\$3,572,411	\$3,682,644	\$3,867,548	\$4,014,287	3.79%	6.73%
<b>Total</b>	<b>\$47,098,966</b>	<b>\$47,897,286</b>	<b>\$47,784,160</b>	<b>\$51,251,042</b>	<b>\$51,513,379</b>	0.51%	
<b>% of Operating Revenues</b>	<b>81.933%</b>	<b>83.105%</b>	<b>83.687%</b>	<b>85.417%</b>	<b>86.333%</b>		

Most revenue sources are stable or slightly increasing next year, with the most notable exceptions being:

- Line 11a-Transfer student tuition (due to declining VST enrollment)
- Line 12-Adventure Club (to reflect expected enrollment and fees; revenues balance with this program's expenses)
- Line 16-State Foundation Formula (due to adjusting for one-time doubling up of FDK funding that was in 2016-17 budget)
- Line 24-Other State (due to state-wide cut in public placement funding)
- Line 28-Title I (due to declining federal funding entitlement)

2017-18 Property Tax Levies by Fund are projected at:

<u>Fund</u>	<u>Unadjusted</u>	<u>Adjusted</u>
General	\$ 3.3550	\$ 3.3450
Teachers	\$ 1.7900	\$ 1.7900
Building	\$ 0.0625	\$ 0.0625
Debt Service	\$ 0.5699	\$ 0.5699

## MAJOR EXPENDITURE OVERVIEW

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>%</u>	<u>% of Op</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual*</u>	<u>Budget</u>	<u>Projected</u>	<u>Change</u>	<u>Revs</u>
Salaries	\$35,600,321	\$34,769,334	\$33,894,231	\$34,035,710	\$34,888,263	2.50%	59.46%
Benefits	\$8,420,833	\$8,851,632	\$8,624,253	\$8,982,530	\$9,594,945	6.82%	16.35%
All Other Operating Exp's	\$11,359,983	\$13,047,834	\$12,629,295	\$14,146,536	\$14,191,692	0.32%	24.19%
<b>Total</b>	<b>\$55,381,137</b>	<b>\$56,668,799</b>	<b>\$55,147,779</b>	<b>\$57,164,775</b>	<b>\$58,674,900</b>	2.64%	
<b>Operating Exp per ADA</b>	<b>\$14,280.85</b>	<b>\$14,582.81</b>	<b>\$13,467.10</b>	<b>\$13,942.63</b>	<b>\$14,262.25</b>		

\* Converted to counting FDK ADA in 2015-16, which increased ADA by about 144.

Like the vast majority of other school districts, the bulk (about 75-80%) of WGSD's operating expenditures is comprised of staff salaries/benefits (and the large majority of those are for teaching staff). Each staffing area is generally correlated to a relevant factor such as student enrollment (instructional staffing), building square footage (custodial staffing), outdoor area (grounds staffing), number and size of buildings (building administration staffing), number of schools and enrollment (nurse staffing), and so forth. Because no significant changes in the facilities configuration, organizational structure, student enrollment and other relevant district factors are expected for next year, there are no changes in staffing levels incorporated into the 2017-18 budget (except for the addition of 1 additional Kindergarten teacher at Edgar Road due to an increase there in Kindergarten enrollment). Therefore, the vast majority of year over year salary changes indicated in the budget are due to annual salary adjustments as opposed to staffing changes.

Regarding the benefit cost aspect of staffing, the state retirement, FICA and Medicare contribution rates are unchanged at 6.86% PEERS, 14.5% PSRS, 6.2% FICA and 1.45% Medicare. However, like nearly any other organization, Webster is continuing to experience rising health (specifically medical) insurance costs. While these costs are shared by the district and employees (90% district/10% employees for employee coverage and 0% district/100% employee for spouse and dependent coverage), the district agreed to absorb the full 9% medical premium increase for 2017-18 in conjunction with a comprehensive restructuring of most salary schedules that resulted in a significant number of staff members receiving no or minimal salary increases for 2017-18.

The remaining quarter of the operating budget is comprised of non-salary/benefit costs. Primary among these are (explanations of variances are shown on budget document):

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>% Change</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	
Line 51 Utilities	1,115,827	1,285,057	1,014,760	1,330,000	1,276,800	-4.00%
Line 59 Insurance	596,101	706,801	767,064	750,000	806,250	7.50%
Line 69 Student Act's	1,537,715	1,666,371	1,580,497	1,700,000	1,730,600	1.80% self-supporting
Line 75 Food Service	851,473	1,123,235	983,993	1,098,513	1,118,286	1.80% self-supporting
Line 81 Advent Club	923,871	929,313	946,208	1,209,000	1,090,000	-9.84% self-supporting
Line 84 Preschool	1,126,655	1,149,113	1,179,923	1,010,000	1,161,500	15.00% self-supporting
Line 89a Tuition-oth dist's	0	590,447	1,293,386	1,260,000	799,400	-36.56%
various Bldg Alloc's				1,036,571	1,021,535	-1.45% per student alloc

All other expenditure line items combined comprise less than 10% of the operating budget are not individually material when compared to the overall budget.

## **FUND BALANCE OVERVIEW**

District fund balances have been at a healthy level for the past several years and are projected to be about \$21 million as of the 2016-17 fiscal year-end (assumes transfer of \$1.2 million from Operating Funds to Debt Service at year-end 2016-17). This significantly exceeds both the minimum amount recommended by DESE and the minimum amount required for cash flow purposes throughout the year. For Webster Groves School District, this minimum threshold is around 25% (about \$14-15 million) of annual operating expenses. In comparison, the District's fund balances are running around 37%. The proposed 2017-18 budget would maintain this level of fund balances and in fact, projects to slightly increase operating fund balances by an almost \$1 million surplus. These fund balances are an important part of maintaining the financial stability and sustainability of ongoing district operations by essentially providing a contingency fund for emergencies and unforeseen financial issues without disrupting essential district operations during a school year.

## **FUTURE OUTLOOK**

An important part of budget planning is taking a longer-term view of current year decisions in order to assess the financial sustainability of current and planned operations. Consequently, the District also updates and prepares multi-year budget projections as part of its annual budget cycle. These projections currently include the 2018-19 and 2019-20 school years--which are included in the budget document for reference purposes only. Based on reasonably conservative revenue and expenditure trend assumptions, the district budget appears to be balanced and sustainable for at least the upcoming 3-year planning cycle. The District and administration are further committed to working during each fiscal year to extend its projection of sustainability and excellence for additional years.

## **DEBT SERVICE FUND**

The Debt Service Fund is dedicated and restricted solely to making principal and interest payments on outstanding district bonded indebtedness, along with any bond issuance, bank fees or legal expenses related to the District's long-term debt. Since all of the district's bonds have fixed interest rates, bond amortization schedules and therefore budgeting needs are known with certainty except for the relatively small amount of bank fees and legal expenses each year. While state statutes allow schools to maintain a fund balance of up to one year's debt service requirements, past declines in the district's tax base and a fixed levy at \$.5699 combined with scheduled increases in annual principal payments to erode debt service reserves over the past several years. Fortunately, the tax base has finally recovered, and in conjunction with the recent fund balance transfers to the Debt Service Fund balance for the past year, the district is back on a viable path to a more healthy Debt Service Fund. This has furthermore even created the potential capacity for a no tax increase bond issue in the next few years if ultimately needed by the district.

## **FUTURE POSITIVE/NEGATIVE FACTORS**

### Future Positives

- 1 TIF values that will be coming on tax rolls in 2021 (\$3.9 million) and 2028 (\$9.2 million).
- 2 \$.01 voluntary rollback (FDK scholarships).
- 3 Potential no tax increase bond capacity could help relieve operating budget of some capital outlay type expenditures.
- 4 District may eventually move out of the high risk health insurance tier which would help reduce future premium hikes.
- 5 Rising short term interest rates may increase the districts investment earnings.
- 6 Continued focus on operational efficiencies.
- 7 New salary models help moderate future salary increases & provide competitive adjustable benchmark for lean times.
- 8 Growing simple majority operating tax rate increase margin available.
- 9 Generally conservative budgeting approach in projecting both revenues and expenditures.
- 10 Potential salary/benefits savings from staff retirements due to aging workforce.
- 11 Rising real estate values for reassessment in odd-numbered years.
- 12 Slowly increasing enrollment may increase state funding.

### Future Negatives

- 1 Impact of State's Reduction in Public Placement Funding (possible service, facility and/or contracted expense impact).
- 2 Rising interest rates may increase the cost of future new debt issuance.
- 3 Nothing currently under consideration, but always is potential for future increase in state retirement contribution rates.
- 4 Nothing currently under consideration, but always is potential for future increase in FICA or Medicare contribution rates.
- 5 Large increases in health insurance costs likely to continue for at least a few years.
- 6 May need new facilities space due to increasing enrollment at Edgar Road and Clark.

Webster School District  
Early Childhood Program Budgets  
2017-18

**Adventure Club - Line 81**

**Revenues**

Tuition-Regular Year	\$	1,040,000
Tuition-Summer Pgm	\$	<u>50,000</u>
Total Revenues	\$	1,090,000

**Expenses**

Regular Year Salaries/Benefits	\$	987,800
Summer Pgm Salaries/Benefits	\$	12,100
Non Salary/Benefits	\$	<u>90,100</u>
Total Expenses	\$	<u>1,090,000</u>

**Net Difference\*** \$ -

**Preschool - Line 84**

**Revenues**

Tuition	\$	1,070,500
Headstart Grant	\$	70,500
Meal Reimbursement	\$	26,000
SSD Reimbursement	\$	<u>23,200</u>
Total Revenues	\$	1,190,200

**Expenses**

Regular Year Salaries/Benefits	\$	1,109,300
Non Salary/Benefits	\$	<u>122,700</u>
Total Expenses	\$	<u>1,232,000</u>

**Net Difference\*** \$ (41,800)

\* Any difference can be covered by fund balances carried over from prior years. For preschool, this deficit is attributable to students in the Headstart aspect of the program, for which only partial tuition is collected through a combination of a federal grant and partial parent payments. This tuition differential may only be a one year concern as it may be less (and possibly be completely eliminated) in the future if and when the preschool funding portion of the state aid formula becomes effective, presumably in the 2018-19 school year.

**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-2016 Actual	2016-2017 Budget	2016-2017 YTD ACTUAL	Factor for 2017-18	2017-18 Prelim	Factor for 2018-19	2018-19 Prelim	Factor for 2019-20	2019-20 Prelim
<b>LOCAL RECEIPTS</b>											
1	current property tax	37,864,619	37,917,500	38,387,472	38,106,594	2.26%	39,253,424	0.50%	39,449,691	2.00%	40,238,685
2	delinquent property tax	602,744	295,269	577,601	526,073	-4.45%	551,870	0.00%	551,870	0.00%	551,870
3	financial institution tax	12,136	33,675	15,000	317,211	0.00%	100,000	0.00%	100,000	0.00%	100,000
4	sales tax (prop C)	3,572,411	3,682,644	3,867,548	3,532,938	3.79%	4,014,287	1.24%	4,064,078	1.00%	4,104,719
5	sales tax for rollback						-		-		-
6	tuition	678,811	717,743	209,000	327,382	18.66%	248,000	0.00%	248,000	0.00%	248,000
7	earnings on investments	11,336	38,608	53,460	68,496	138.83%	127,679	4.67%	133,640	-0.43%	133,069
8	community education	50,900	86,426	75,000	78,541	0.00%	75,000	0.00%	75,000	0.00%	75,000
9	student activities	1,748,300	1,790,087	1,700,000	1,809,624	1.80%	1,730,600	0.00%	1,730,600	0.00%	1,730,600
10	food service	818,161	751,964	750,000	513,682	1.80%	763,500	1.80%	777,243	1.80%	791,233
11	other local	1,412,118	577,942	237,000	583,022	-22.36%	184,000	1.80%	187,312	1.80%	190,684
11a	Transfer Student tuition	1,112,102	845,042	825,000	247,642	-15.00%	701,250	-15.00%	596,063	-15.00%	506,654
11b	Preshool Tuition		1,060,943	1,025,682	1,007,354	0.00%	1,119,700	0.00%	1,119,700	0.00%	1,119,700
12	adventure club	1,157,311	1,097,713	1,209,000	973,562	0.00%	1,090,000	0.00%	1,090,000	0.00%	1,090,000
	audit adjustment										
	Bond Premium	0									
	<b>sub-total local</b>	<b>49,040,950</b>	<b>48,895,556</b>	<b>48,931,763</b>	<b>48,092,122</b>	<b>2.10%</b>	<b>49,959,310</b>		<b>50,123,197</b>		<b>50,880,214</b>
<b>COUNTY RECEIPTS</b>											
13	finances and forfeitures	48,171	44,112	40,000	45,401	0.00%	40,000	0.00%	40,000	0.00%	40,000
14	state assessed utilities	597,600	629,111	600,000	609,651	1.00%	606,000	1.00%	612,060	1.00%	618,181
15	stock insurance tax										
	audit adjustment										
	<b>sub-total county</b>	<b>645,771</b>	<b>673,223</b>	<b>640,000</b>	<b>655,052</b>	<b>0.94%</b>	<b>646,000</b>		<b>652,060</b>		<b>658,181</b>

**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-16 Current	2016-2017 Revision 1	2016-2017 YTD ACTUAL	Factor for 2017-18	2017-18 Prelim		Factor for 2018-19	2018-19 Prelim	Factor for 2019-20	2019-20 Prelim
<b>STATE RECEIPTS</b>												
16	state foundation formula	5,857,512	5,888,747	8,418,421	6,953,415	-8.61%	7,693,798	Assumes projected 2017-18 WADA of 4114, SAT of \$6210, DVM of 1.094.	0.00%	7,693,798	0.00%	7,693,798
17	cigarette tax (fair share)						-			-		-
18	transportation	4,545	5,791	5,000	1,530	0.00%	5,000		0.00%	5,000	0.00%	5,000
19	exceptional pupils (reading)						-			-		-
20	gifted education						-			-		-
21	nonMO ins co tax (textbook)						-			-		-
22	transfer students						-			-		-
23	food service	8,673	8,741	8,500	8,614	1.80%	8,653		1.80%	8,809	1.80%	8,968
24	other state	985,700	982,426	975,000	845,656	0.00%	430,500	Based on 2016-17 YTD actual less about 1/2 normal \$800K pub place aid w/state-wide cut from \$11M to \$5M. Incl PAT of \$55K.	0.00%	430,500	0.00%	430,500
	Other											
	<b>sub-total state</b>	<b>6,856,430</b>	<b>6,885,705</b>	<b>9,406,921</b>	<b>7,809,215</b>	<b>-13.49%</b>	<b>8,137,951</b>			<b>8,138,107</b>		<b>8,138,266</b>
<b>FEDERAL RECEIPTS</b>												
25	food service	422,578	423,203	425,000	358,599	1.80%	432,650		1.80%	440,438	1.80%	448,366
26	title 1	375,480	625,268	380,000	188,036	-26.32%	280,000		0.00%	280,000	0.00%	280,000
27	title VI						-			-		-
28	other federal	143,572	131,835	217,500	120,960	0.00%	212,500	\$80K Title II, \$70,500 Head Start, \$30K e-rate & \$32 misc other	0.00%	212,500	0.00%	212,500
29	even start											
	other	0										
	<b>sub-total federal</b>	<b>941,630</b>	<b>1,180,306</b>	<b>1,022,500</b>	<b>667,595</b>	<b>-9.52%</b>	<b>925,150</b>			<b>932,938</b>		<b>940,866</b>
	<b>OPERATING REVENUE</b>	<b>57,484,780</b>	<b>57,634,790</b>	<b>60,001,184</b>	<b>57,223,984</b>	<b>-0.55%</b>	<b>59,668,411</b>			<b>59,846,302</b>		<b>60,617,527</b>
							<b>-0.55%</b>			<b>0.30%</b>		<b>1.29%</b>



**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-2016 Current	2016-2017 Revision 1	2016-2017 YTD ACTUAL	Factor for 2017-18	2017-18 Prelim		Factor for 2018-19	2018-19 Prelim	Factor for 2019-20	2019-20 Prelim
<b>DEBT SERVICE RECEIPTS</b>												
30	Stock Insurance											
31	property taxes	3,994,049	4,150,162	4,220,134	4,177,970	11.63%	4,710,918	Taxes @ 97.9% collection rate,current a/v,\$.5699 tax rate;plus M&M surtax of \$125,250;includes delinquent taxes & PILOTS	0.50%	4,734,473	2.00%	4,829,162
32	delinquent taxes	63,841	31,552	42,628	57,683	0.00%			0.00%	-	0.00%	-
33	financial institution tax	0	225	0	0	0.00%	-		0.00%	-	0.00%	-
34	interest earned	58,980	1,000	540	3,562	0.00%	540		0.00%	540	0.00%	540
28b	other federal	0	820,972	550,000	548,984	0.00%	550,000		0.00%	550,000	0.00%	550,000
35	state assessed utilities	100,882	103,201	100,000	99,401	1.00%	101,000		1.00%	102,010	1.00%	103,030
	<b>sub-total debt service</b>	<b>4,217,752</b>	<b>5,107,112</b>	<b>4,913,302</b>	<b>4,887,600</b>		<b>5,362,458</b>			<b>5,387,023</b>		<b>5,482,732</b>
	<b>total revenue</b>	<b>61,702,532</b>	<b>62,741,902</b>	<b>64,914,486</b>	<b>62,111,584</b>		<b>65,030,869</b>			<b>65,233,325</b>		<b>66,100,259</b>
<b>INCIDENTAL FUND EXPENSES</b>												
				Salaries =		3.00%			2.80%		2.80%	
				CPI =		1.80%			1.80%		1.80%	
36	support staff (auxiliary)	2,171,756	1,895,020	1,932,920	1,559,638	4.50%	1,906,902	Larger % incr due to nurse adj; xfer of \$113K for SRO to line 62	2.80%	1,960,295	2.80%	2,015,183
37	teacher aides	1,411,426	1,157,117	1,180,259	1,117,661	1.00%	1,192,062	Adjusted to align with actual empl letters & actual 2016-17 trend	2.80%	1,225,440	2.80%	1,259,752
38	library aides	0	0	0	0		-			-		-
39	secretarial staff	1,077,511	1,062,233	1,083,478	985,167	3.00%	1,115,982		2.80%	1,147,229	2.80%	1,179,351
40	custodial staff	1,658,544	1,641,160	1,691,122	1,468,803	3.00%	1,741,856		2.80%	1,790,628	2.80%	1,840,766
41	federal programs	280,659	374,607	116,000	201,057	0.00%	116,000		0.00%	116,000	0.00%	116,000
42	retirement benefits	1,087,710	987,859	1,007,616	874,163	8.37%	1,091,937	Calculated based on sals/bens, a 6.86% PEERS & 7.65% FICA.	3.19%	1,126,772	3.21%	1,162,923
43	health insurance	1,044,270	1,001,264	1,083,868	914,537	10.20%	1,194,423	District paying full 9% premium incr for 2017-18.	8.00%	1,289,977	8.00%	1,393,175
44	unemployment benefits	20,196	14,475	25,000	2,901	3.00%	25,750		1.80%	26,214	1.80%	26,686
45	new employee hiring	5,829	19,127	25,000	14,190	50.00%	37,500		1.80%	38,175	1.80%	38,862
46	audit by CPA firm	13,000	13,000	15,000	13,500	1.80%	15,270		1.80%	15,545	1.80%	15,825
47	payroll services	117,327	123,028	92,838	87,910	1.80%	94,509		1.80%	96,210	1.80%	97,942
48	legal counsel	83,688	56,324	100,000	95,713	-20.00%	80,000		1.80%	81,440	1.80%	82,906

**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-2016 Current	2016-2017 Revision 1	2016-2017 YTD ACTUAL	Factor for 2017-18	2017-18 Prelim		Factor for 2018-19	2018-19 Prelim	Factor for 2019-20	2019-20 Prelim
49	medical	10,103	3,174	7,500	5,262	0.00%	7,500		0.00%	7,500	0.00%	7,500
50	elections	19,623	8,201	15,000	14,206	0.00%	15,000		0.00%	15,000	0.00%	15,000
51	gas/electric/water	1,285,057	1,014,760	1,330,000	1,097,966	4.00%	1,276,800	4% rate increase but adj's for 2016-17 incl 13 months expense	1.80%	1,299,782	1.80%	1,323,178
52	curriculum/staff developmnt	225,845	148,279	157,950	125,547	1.80%	160,793		1.80%	163,687	1.80%	166,633
53	tuition for staff	59,100	0	60,000	52,207	1.80%	61,080		1.80%	62,179	1.80%	63,298
54	commencement/accredit	7,065	8,225	15,000	2,802	1.80%	15,270		1.80%	15,545	1.80%	15,825
55	contract transportation	264,816	220,813	273,216	245,426	58.19%	432,199	5 buses plus summer school & Friday Fine Arts; 2016-17 incl 13 months expense; 2017/18 contract renewal may be a decrease but use 0% adjustment; includes \$180K for homeless transp (previously charged to pgm 89a - tuition to other districts)	2.50%	443,004	2.50%	454,079
56	contracted service	0	0	0	179,864		210,000	Includes contracted nurses, SRO's, bldg & CO admin coverage of open positions due to medical leave, LT absence & other.		210,000		210,000
57	district travel	25,678	18,685	28,000	17,881	1.80%	28,504		1.80%	29,017	1.80%	29,539
58	pro conf., memshps, subsc	45,518	26,470	41,375	39,818	1.80%	42,120		1.80%	42,878	1.80%	43,650
59	insurance	706,801	767,064	750,000	734,226	7.50%	806,250	Actual 2016-17 premium reflected a 10% rate discount for all members due to favorable MUSIC pool experience that may not continue in future years.	1.80%	820,763	1.80%	835,537
60	telephone and postage	228,851	285,421	276,000	285,466	1.80%	280,968		1.80%	286,025	1.80%	291,173
61	printing	14,365	13,770	25,000	6,591	1.80%	25,450		1.80%	25,908	1.80%	26,374
62	safety and security	80,916	46,379	80,000	68,866	128.75%	183,000	Based on historical less reduction of \$10K for off hour security alarm coverage plus \$113K for SROs.	1.80%	186,294	1.80%	189,647
63	instructional supplies	828,273	703,033	434,084	695,445	1.80%	441,898		1.80%	449,852	1.80%	457,949
64	sixth grade camp	19,612	14,777	25,000	13,055	0.00%	25,000		0.00%	25,000	0.00%	25,000
65	guidance/testing supplies	39,685	21,703	49,410	44,625	1.80%	50,299		1.80%	51,204	1.80%	52,126
66	administrative supplies	63,555	94,788	233,000	176,117	1.80%	87,194		1.80%	88,763	1.80%	90,361
67	custodial supplies	164,762	190,437	175,000	272,541	14.00%	199,500		1.80%	203,091	1.80%	206,747
68	music supplies	20,287	11,845	23,750	5,842	1.80%	24,178		1.80%	24,613	1.80%	25,056
69	student activities	1,666,371	1,580,497	1,700,000	1,657,179	1.80%	1,730,600	Self-supporting; balances with student activity rev's (Line 9).	1.80%	1,761,751	1.80%	1,793,463
70	tech development fund	276,719	273,452	275,000	223,223	12.52%	309,433	Budget based on dedicated \$.0553 tech replacement fund tax levy.	1.80%	315,003	1.80%	320,673
71	textbooks	159,160	173,898	185,000	153,257	1.80%	188,330		1.80%	191,720	1.80%	195,171
72	coop schl dist. av materials	39,526	41,002	55,000	28,228	1.80%	55,990		1.80%	56,998	1.80%	58,024
73	library materials	63,386	48,923	67,275	50,461	1.80%	68,486		1.80%	69,719	1.80%	70,974
74	computer equipment/repair/dupe	229,370	147,284	152,736	165,459	1.80%	155,485		1.80%	158,284	1.80%	161,133
75	food service	1,123,235	983,993	1,098,513	824,740	1.80%	1,118,286		1.80%	1,138,415	1.80%	1,158,906
76	public relations	129,780	141,668	144,501	121,937	1.80%	147,102		1.80%	149,750	1.80%	152,446
77	community education	49,249	49,623	53,000	41,890	1.80%	53,954		1.80%	54,925	1.80%	55,914

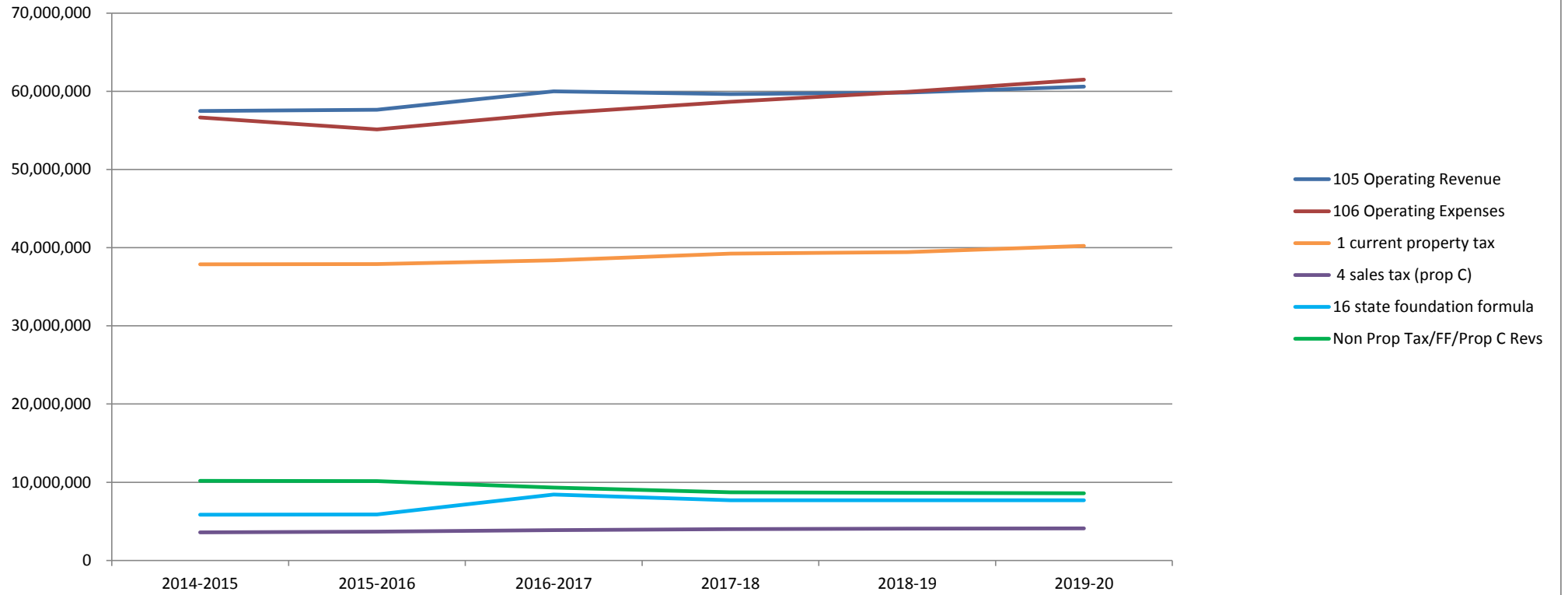
**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-2016 Current	2016-2017 Revision 1	2016-2017 YTD ACTUAL	2017-18	2017-18 Prelim		2018-19	2018-19 Prelim	2019-20	2019-20 Prelim
78	parents as teachers (FACE)	111,896	162,566	146,906	122,457	1.80%	130,000	Based on detailed estimate by Early Childhood.	1.80%	132,340	1.80%	134,722
79	interest	10,025	0	0		0.00%	-		0.00%	-	0.00%	-
80	maintenance salaries	1,014,938	955,560	974,671	891,947	3.00%	1,003,911		2.80%	1,032,021	2.80%	1,060,918
81	adventure club	929,313	946,208	1,209,000	861,610		1,090,000	Balances with projected revenues for Adv Club (pgm 12).		1,090,000		1,090,000
82	head start/EEG grant	75,199	75,950	70,500			70,500	Balances with projected federal Head Start revenue (pgm 28).		70,500		70,500
83	children defense fund			0			-			-		-
84	preschool program	1,149,113	1,179,923	1,010,000	1,106,912		1,161,500	All but \$42K offset by proj rev's (in pgm 11b) for preschool.	0.00%	1,161,500	0.00%	1,161,500
85	main sup hvac, elec, plb	293,224	272,380	166,250	201,920	50.00%	249,375		1.80%	253,864	1.80%	258,434
86	bdg upkeep	242,667	216,168	246,500	217,597	0.00%	246,500		1.80%	250,937	1.80%	255,454
87	care of grounds	159,221	179,890	200,000	207,760	0.00%	200,000		1.80%	203,600	1.80%	207,265
88	care of vehicles	28,632	21,685	30,000	23,019	0.00%	30,000		1.80%	30,540	1.80%	31,090
	transfer from other funds											
	<b>sub-total incidental</b>	<b>20,832,852</b>	<b>19,393,708</b>	<b>20,137,239</b>	<b>18,318,590</b>		<b>20,994,646</b>			<b>21,485,897</b>		<b>21,994,630</b>
	<b>TEACHERS FUND EXPENSES</b>			Salaries =		2.10%			2.30%		2.40%	
89	teacher salaries	21,932,098	21,756,091	22,232,980	21,707,574	2.10%	22,749,872	Adjusted for actual attrition/replacements (approx \$300K savings) & added 1.0 FTE (\$50,000) for add'l ER Kdg teacher.	2.30%	23,273,119	2.40%	23,831,674
89a	Tuition to other districts	590,447	1,293,386	1,260,000	1,264,160	0.00%	799,400	Public Placement pass thru of \$330,000 plus state aid pass thru of \$37,000 plus \$60,000 local effort pass thru plus \$80,000 PEGS tuition plus \$121,400 VISTA tuition plus \$50,000 local effort paid to other districts, plus \$121,000 SSD Ph II pass thru.	1.80%	813,789	1.80%	828,437
90	teacher sal.-spec. prog.	1,829,012	1,833,908	1,810,586	1,936,094	2.10%	1,848,608		2.30%	1,891,126	2.40%	1,936,513
91	substitute teachers	453,790	411,730	450,000	461,807	2.10%	459,450		2.30%	470,017	2.40%	481,297
	subs for sch bus & prof leave						-			-		-
92	administrator salaries	2,673,962	2,430,014	2,279,693	2,232,127	5.00%	2,469,620		2.30%	2,465,041	2.40%	2,524,202
93	health insurance	2,311,818	2,151,943	2,307,959	2,158,255	10.20%	2,550,371	District paying full 9% prem incr for 2017-18 + 1 FTE for ER kdg.	8.00%	2,754,401	8.00%	2,974,753
93a	retirement benefits	4,387,638	4,468,712	4,558,086	4,349,855	3.83%	4,732,464	Calc'd based on sals/bens, a 14.5% PSRS & 1.45% Medicare.	2.52%	4,851,557	2.84%	4,989,273
94	federal programs	265,638	376,791	284,000	413,446	0.00%	284,000		0.00%	284,000	0.00%	284,000
	transfer from other funds											
	<b>sub-total teachers</b>	<b>34,444,403</b>	<b>34,722,575</b>	<b>35,183,304</b>	<b>34,523,318</b>		<b>35,893,785</b>			<b>36,803,050</b>		<b>37,850,149</b>

**MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20**

Line#	Description	2014-2015 Actual	2015-2016 Actual	2016-2017 Revision 1	2016-2017 YTD ACTUAL	Factor for 2017-18	2017-18 Prelim		Factor for 2018-19	2018-19 Prelim	Factor for 2019-20	2019-20 Prelim
<b>BUILDING FUND</b>												
95	instructional/office equip.	913,648	657,094	740,000	171,574	0.00%	740,000		1.80%	753,320	1.80%	766,880
96	building improvement	400,795	174,455	993,982	212,725	-9.66%	898,000	Includes \$150,000 for tennis court participation w/City of WG and \$80K for Comprehensive facility assessment study.	0.00%	748,000	0.00%	748,000
97	maintenance equipment	51,377	54,542	49,500	69,866	75.00%	86,625		1.80%	88,184	1.80%	89,771
98	furniture	25,725	145,405	60,750	-37,876	1.80%	61,844		1.80%	62,957	1.80%	64,090
100	energy lease expenses market value (bond issue) transfer from other funds				295,929							
	<b>sub-total building</b>	<b>1,391,544</b>	<b>1,031,496</b>	<b>1,844,232</b>	<b>712,218</b>		<b>1,786,469</b>			<b>1,652,461</b>		<b>1,668,741</b>
	<b>OPERATING EXPENSE</b>	<b>56,668,799</b>	<b>55,147,779</b>	<b>57,164,775</b>	<b>53,554,127</b>		<b>58,674,900</b> 2.64%			<b>59,941,408</b> 2.16%		<b>61,513,520</b> 2.62%
<b>DEBT SERVICE EXPENSES</b>												
101	principal	2,635,720	22,969,812	2,660,000	2,660,000		2,520,000			2,590,000		2,975,000
102	interest and fees	3,468,159	3,222,980	2,202,400	2,201,940		2,116,668			2,018,174		1,926,814
	Refund Payment Adjustment											
	<b>sub-total debt service</b>	<b>6,103,879</b>	<b>26,192,792</b>	<b>4,862,400</b>	<b>4,861,940</b>		<b>4,636,668</b>			<b>4,608,174</b>		<b>4,901,814</b>
103	Total Expenses	62,772,679	81,340,571	62,027,175	58,416,066		63,311,568			64,549,582		66,415,334
104	Total Revenue	61,702,532	62,741,902	64,914,486	62,111,584		65,030,869			65,233,325		66,100,259
<b>SUMMARY</b>												
105	Operating Revenue	57,484,780	57,634,790	60,001,184	57,223,984		59,668,411			59,846,302		60,617,527
106	Operating Expenses	56,668,799	55,147,779	57,164,775	53,554,127		58,674,900			59,941,408		61,513,520
107	Surplus (Deficit)	815,980	2,487,010	2,836,409			993,511			(95,106)		(895,993)
	Proposed Transfer CTF Revenue			-1,200,000								
	<b>108 Balance June 30</b>	<b>17,156,345</b>	<b>19,643,355</b>	<b>21,279,764</b>			<b>22,273,275</b>			<b>22,178,169</b>		<b>21,282,176</b>
	<b>Balance % of Exp (min of 25% needed)</b>			37.23%			37.96%			37.00%		34.60%
99	bond issue expenditures	1,052,257	471,477									
	<b>Grand Total Audited Expenses</b>	<b>63,824,936</b>	<b>81,812,049</b>									
	Salaries Total	34,769,334	33,894,231	34,035,710			34,888,263			35,654,916		36,529,656
	%	61.36%	61.46%	59.54%			59.46%			59.48%		59.38%
	Benefits Total	8,851,632	8,624,253	8,982,530			9,594,945			10,048,921		10,546,810
	%	15.62%	15.64%	15.71%			16.35%			16.76%		17.15%
	Non Sal/Ben Operating Total	13,047,834	12,629,295	14,146,536			14,191,692			14,237,571		14,437,054
	Non Prop Tax/FF/Prop C Revs	10,190,238	10,145,899	9,327,743			8,706,902			8,638,735		8,580,325

### Major Revenue Sources - The Big 3



MULTI-YEAR BUDGET PROJECTIONS  
2017/18-2019/20

